

Department of Revenue

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|---|-----------------------------|--------------------------------------|
| General Fund (Direct) | \$42,229,217 | \$32,107,262 | (\$10,121,955) |
| Total Interagency Transfers | 248,146 | 284,146 | 36,000 |
| Fees and Self-generated Revenues | 45,684,254 | 56,858,676 | 11,174,422 |
| Statutory Dedications | 730,000 | 485,000 | (245,000) |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 365,000 | 365,000 | 0 |
| Total | \$89,256,617 | \$90,100,084 | \$843,467 |
| T. O. | 950 | 929 | (21) |



Office of Revenue

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|--|-----------------------------|--------------------------------------|
| General Fund (Direct) | \$39,512,450 | \$29,063,397 | (\$10,449,053) |
| Total Interagency Transfers | 248,146 | 284,146 | 36,000 |
| Fees and Self-generated Revenues | 45,684,254 | 56,858,676 | 11,174,422 |
| Statutory Dedications | 0 | 0 | 0 |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 365,000 | 365,000 | 0 |
| Total | \$85,809,850 | \$86,571,219 | \$761,369 |
| T. O. | 909 | 886 | (23) |

Tax Collection

Comprises the entire tax collection effort of the office, which is organized into four major divisions and the Office of Legal Affairs. The Office of Management and Finance handles accounting, support services, human resources management, information services, and internal audit. Tax Administration Group I is responsible for collection, operations, personal income tax, sales tax, post processing services, and taxpayer services. Tax Administration Group II is responsible for audit review, research and technical services, excise taxes, corporation income and franchise taxes, and severance taxes. Tax Administration Group III is responsible for field audit services, district offices, regional offices, and special investigations.

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|--|-----------------------------|--------------------------------------|
| General Fund (Direct) | \$39,512,450 | \$29,063,397 | (\$10,449,053) |
| Total Interagency Transfers | 83,146 | 83,146 | 0 |
| Fees and Self-generated Revenues | 39,381,979 | 50,407,619 | 11,025,640 |
| Statutory Dedications | 0 | 0 | 0 |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 5,000 | 5,000 | 0 |
| Total | \$78,982,575 | \$79,559,162 | \$576,587 |
| T. O. | 816 | 796 | (20) |

Major Changes from Existing Operating Budget

| Justification | Funding Source | Amount |
|---|----------------------------------|----------------------|
| Means of financing substitution reducing State General Fund (Direct) and increasing Fees and Self-generated Revenues derived from late payment/delinquent fees from FY 2003-2004 collections in the Tax Collection Program. The program expects to generate Fees and Self-generated Revenues in excess to the amount needed to fund the appropriated FY 2004-2005 budget authority. | General Fund (Direct) | (\$5,000,000) |
| | Fees and Self-generated Revenues | \$5,000,000 |
| | Total | \$0 |
| This adjustment non-recurs funding associated with the integrated tax system. The final phase of the integrated tax system will be completed in May 2005. | General Fund (Direct) | (\$3,302,913) |
| | Total | (\$3,302,913) |
| Office of Information Technology Projects | Fees and Self-generated Revenues | \$4,470,538 |
| | Total | \$4,470,538 |
| Standard Salary Adjustments | Fees and Self-generated Revenues | \$1,237,490 |
| | General Fund (Direct) | (\$290,060) |
| | Total | \$947,430 |
| | T. O. | (20) |



Performance Measures

| Objectives | Performance Indicators | Existing Performance Standards FY 2004-2005 | Performance at Executive Budget Level FY 2005-2006 | Executive Budget Over/Under EOB |
|--|--|--|---|------------------------------------|
| To increase the number of customer self-service options by 8 new applications (from a base of 15 in FY 03-04) to 23 by June 30, 2007. | Total number of self-service business taxpayer applications available | 17 | 22 | 5 |
| | Number of self-service business applications implemented annually | 2 | 5 | 3 |
| To reduce the average return processing time to 5 business days or less by June 30, 2010. | Average tax return processing time (in business days) | 6.5 | 7.5 | 1.0 |
| To increase percentage of taxpayer correspondence answered within 21 calendar days of receipt (from a base of 44.9% in FY 03-04) to 75% by June 30, 2010. | Percentage of taxpayer correspondence answered/resolved within 21 days of receipt | 54.4% | 52.1% | (2.3)% |
| | Percentage of taxpayer correspondence answered/resolved within 30 days of receipt | 63.00% | 74.10% | 11.10% |
| To provide improved taxpayer service through the contact center by reducing the telephone call abandonment rate by 50% (from a base of 9.6% in FY 04-05) to 4.8% by June 30, 2006, and reducing the average telephone call queue time by 50% (from a base of 6.77 minutes in FY 04-05) to 3.39 minutes by June 30, 2007. | Call center abandonment rate | 9.6% | 5.5% | (4.1)% |
| | Average customer wait time in queue (in minutes) | 6.77 | 7.85 | 1.08 |
| To increase revenue deposited within 24 hours of receipt to 90% (from a base of 79.71% in FY 03-04) by June 30, 2009. | Percentage of revenue deposited within 24 hours of receipt | 72% | 77% | 5% |
| To increase the percentage of individual income tax refunds issued within 14 calendar days of receipt to 95% and the percentage of business tax refunds issued within 90 calendar days of receipt to 80% by June 30, 2010. | Percentage of individual income tax refunds issued within 14 calendar days of receipt | 76.1% | 76.4% | 0.3% |
| | Percentage of business tax refunds issued within 90 calendar days of receipt | 71.3% | 68.5% | (2.8)% |
| To increase the number of delinquent collection cases (taxable periods in seizable status) resolved within 180 calendar days of issuance by 2% each year (from base of 38% in FY 04-05) through June 30, 2010. | Percentage of collection cases (taxable periods in seizable status) resolved within 180 days | 38% | 39% | 1% |
| To increase business accounts audited by field personnel to .40% (from a base of .33% in FY 03-04) by June 30, 2010. | Percentage of all business accounts audited | 0.40% | 0.37% | (0.03)% |

Alcohol and Tobacco Control

Regulates the alcoholic beverage and tobacco industries in the state; licenses alcoholic beverage manufacturers, native wineries, retailers, and wholesalers as well as retail and wholesale tobacco product dealers and enforces state alcoholic beverage and tobacco laws.



Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|-------------------------------------|--------------------------|-----------------------------------|
| General Fund (Direct) | \$0 | \$0 | \$0 |
| Total Interagency Transfers | 165,000 | 201,000 | 36,000 |
| Fees and Self-generated Revenues | 5,090,170 | 5,214,294 | 124,124 |
| Statutory Dedications | 0 | 0 | 0 |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 360,000 | 360,000 | 0 |
| Total | \$5,615,170 | \$5,775,294 | \$160,124 |
| T. O. | 75 | 72 | (3) |

Major Changes from Existing Operating Budget

| Justification | Funding Source | Amount |
|-----------------------------|----------------------------------|-----------------|
| Standard Salary Adjustments | Fees and Self-generated Revenues | \$24,635 |
| | Total | \$24,635 |
| | T. O. | (3) |

Performance Measures

| Objectives | Performance Indicators | Existing Performance Standards FY 2004-2005 | Performance at Executive Budget Level FY 2005-2006 | Executive Budget Over/Under EOB |
|--|--|---|--|---------------------------------|
| To process all permits so that the average time for applicants to receive alcohol or tobacco permits does not exceed 10 days by June 2010. | Average time for applicants to receive alcohol and tobacco permits (in days) | 20 | 15 | (5) |
| To maintain the percentage of alcohol non-compliance violations at or below 10% and maintain the tobacco non-compliance violations at or below 7% through June 2010. | Alcohol non-compliance rate | 10% | 10% | 0% |
| | Tobacco non-compliance rate | 7% | 6% | (1)% |
| | Total number of compliance checks | 10,900 | 10,000 | (900) |
| | Total number of inspections | 23,000 | 23,000 | 0 |

Office of Charitable Gaming

Licenses, educates, and monitors organizations conducting legalized gaming as a fund-raising mechanism; provides for the licensing of commercial lessors and related matters regarding electronic video bingo and progressive mega-jackpot bingo.

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|-------------------------------------|--------------------------|-----------------------------------|
| General Fund (Direct) | \$0 | \$0 | \$0 |
| Total Interagency Transfers | 0 | 0 | 0 |
| Fees and Self-generated Revenues | 1,212,105 | 1,236,763 | 24,658 |
| Statutory Dedications | 0 | 0 | 0 |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Total | \$1,212,105 | \$1,236,763 | \$24,658 |



Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|---|-----------------------------|--------------------------------------|
| T. O. | 18 | 18 | 0 |

Major Changes from Existing Operating Budget

| Justification | Funding Source | Amount |
|--|----------------|--------|
| There are no major changes in funding other than standard statewide adjustments. | | |

Performance Measures

| Objectives | Performance Indicators | Existing Performance Standards FY 2004-2005 | Performance at Executive Budget Level FY 2005-2006 | Executive Budget Over/Under EOB |
|--|---|--|---|--|
| To conduct 213 inspections, 61 investigations and 73 audits annually through June 2010. | Number of inspections conducted | 203 | 213 | 10 |
| | Number of investigations conducted | 64 | 61 | (3) |
| | Number of audits conducted | 69 | 73 | 4 |
| To increase the percentage (over baseline of 33% in FY 04-05) of organizations trained by 2% per year through June 2010. | Percentage change in organizations (with multiple activities) trained | 2% | 2% | 0% |
| | | | | |
| To maintain the percentage of administrative actions at 2% of the total number of licenses through June 2010. | Percentage of administrative actions taken | 2% | 2% | 0% |
| | | | | |



Louisiana Tax Commission

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|--|-----------------------------|--------------------------------------|
| General Fund (Direct) | \$2,716,767 | \$3,043,865 | \$327,098 |
| Total Interagency Transfers | 0 | 0 | 0 |
| Fees and Self-generated Revenues | 0 | 0 | 0 |
| Statutory Dedications | 730,000 | 485,000 | (245,000) |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Total | \$3,446,767 | \$3,528,865 | \$82,098 |
| T. O. | 41 | 43 | 2 |

Property Taxation Regulatory/Oversight

Reviews and certifies the various parish assessment rolls, and acts as an appellate body for appeals by assessors, taxpayers, and tax recipient bodies after actions by parish review boards; provides guidelines for assessment of movable property and reviews appraisals or assessments and where necessary modifies (or orders reassessment) to ensure uniformity and fairness. Assesses all public service property, as well as valuation of stock values for banks and insurance companies, and provides assistance to assessors.

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|--|-----------------------------|--------------------------------------|
| General Fund (Direct) | \$2,716,767 | \$3,043,865 | \$327,098 |
| Total Interagency Transfers | 0 | 0 | 0 |
| Fees and Self-generated Revenues | 0 | 0 | 0 |
| Statutory Dedications | 680,000 | 435,000 | (245,000) |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Total | \$3,396,767 | \$3,478,865 | \$82,098 |
| T. O. | 41 | 43 | 2 |

Major Changes from Existing Operating Budget

| Justification | Funding Source | Amount |
|--|-------------------------------|------------------|
| Increased funding for 2 additional positions. The attorney and paralegal positions are needed to help reduce the need for contract attorneys for management of pending litigation files, protest filed with the LTC by taxpayers and other routine legal services that could be performed by an in-house attorney and paralegal. | General Fund (Direct) | \$142,127 |
| | Total | \$142,127 |
| | T. O. | 2 |
| Means of financing substitution to replace Statutory Dedication LA Tax Commission Expense Fund with State General Fund. In FY 04-05, prior year fund balances from the LA Tax Commission Expense Fund were utilized to reduce the agency's need of State General Fund. | General Fund (Direct) | \$150,000 |
| | LA Tax Comm-Tax Comm Exp Fund | (\$150,000) |
| | Total | \$0 |



Performance Measures

| Objectives | Performance Indicators | Existing Performance Standards FY 2004-2005 | Performance at Executive Budget Level FY 2005-2006 | Executive Budget Over/Under EOB |
|--|---|--|---|------------------------------------|
| To hear 100% of all protest hearings within the tax year in which the protest was filed through June 2010. | Percentage of protest hearings completed within the tax year in which the protest was filed | 100% | 100% | 0% |
| To conduct all bank and insurance company assessments, public utility company appraisals and assessments, and tax roll certification activities necessary to support local tax collection through June 2010. | Percentage of banks and insurance companies assessed | 100% | 100% | 0% |
| | Percentage of tax rolls certified before November 15th of each year | 100% | 100% | 0% |
| | Percentage of public utility companies appraised and assessed | 100% | 100% | 0% |
| To conduct appraisals throughout the state to assist local assessors through June 2010. | Total number of property appraisals conducted | 7,000 | 6,000 | (1,000) |

Supervision and Assistance to Local Assessors

Responsible for providing computer assistance to parish assessors to improve productivity through use of electronic filing and communication with the Louisiana Tax Commission.

Comparison of Budgeted to Total Recommended

| Means of Financing & Table of Organization | Existing Oper Budget as of 12/03/04 | Recommended FY 2005-2006 | Total Recommended Over/ Under EOB |
|--|--|-----------------------------|--------------------------------------|
| General Fund (Direct) | \$0 | \$0 | \$0 |
| Total Interagency Transfers | 0 | 0 | 0 |
| Fees and Self-generated Revenues | 0 | 0 | 0 |
| Statutory Dedications | 50,000 | 50,000 | 0 |
| Interim Emergency Board | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Total | \$50,000 | \$50,000 | \$0 |
| T. O. | 0 | 0 | 0 |

Major Changes from Existing Operating Budget

| Justification | Funding Source | Amount |
|---|----------------|--------|
| There are no major changes in funding other than standard statewide adjustments. | | |

Performance Measures

| Objectives | Performance Indicators | Existing Performance Standards FY 2004-2005 | Performance at Executive Budget Level FY 2005-2006 | Executive Budget Over/Under EOB |
|---|---|--|---|------------------------------------|
| To implement the electronic filing of tax documents that parish assessors must file with the Louisiana Tax Commission by establishing electronic links between the commission and 100% of parish assessors through June 2010. | Number of assessors filing tax rolls electronically | 66 | 70 | 4 |
| | Number of assessors filing change orders electronically | 60 | 70 | 10 |



Discretionary and Non-discretionary Expenditures Total Recommended Fiscal Year 2005 – 2006

| Office of Revenue | | General Fund | Total | T. O. |
|------------------------------------|-----------------------------|---------------------|---------------------|------------|
| DISCRETIONARY | | | | |
| Discretionary/Non-Exempt | Tax Collection | \$23,350,281 | \$72,294,713 | 796 |
| | Alcohol and Tobacco Control | 0 | 5,557,814 | 72 |
| | Office of Charitable Gaming | 0 | 1,236,763 | 18 |
| | Total | \$23,350,281 | \$79,089,290 | 886 |
| TOTAL DISCRETIONARY | | \$23,350,281 | \$79,089,290 | 886 |
| NON-DISCRETIONARY | | | | |
| ND - Unavoidable Obligation | Tax Collection | \$5,713,116 | \$7,264,449 | 0 |
| | Alcohol and Tobacco Control | 0 | 217,480 | 0 |
| | Total | \$5,713,116 | \$7,481,929 | 0 |
| TOTAL NON-DISCRETIONARY | | \$5,713,116 | \$7,481,929 | 0 |
| Grand Total | | \$29,063,397 | \$86,571,219 | 886 |

| Louisiana Tax Commission | | General Fund | Total | T. O. |
|------------------------------------|---|--------------------|--------------------|-----------|
| DISCRETIONARY | | | | |
| Discretionary/Non-Exempt | Property Taxation Regulatory/Oversight | \$2,903,539 | \$3,338,539 | 43 |
| | Supervision and Assistance to Local Assessors | 0 | 50,000 | 0 |
| | Total | \$2,903,539 | \$3,388,539 | 43 |
| TOTAL DISCRETIONARY | | \$2,903,539 | \$3,388,539 | 43 |
| NON-DISCRETIONARY | | | | |
| ND - Unavoidable Obligation | Property Taxation Regulatory/Oversight | \$140,326 | \$140,326 | 0 |
| | Total | \$140,326 | \$140,326 | 0 |
| TOTAL NON-DISCRETIONARY | | \$140,326 | \$140,326 | 0 |
| Grand Total | | \$3,043,865 | \$3,528,865 | 43 |

